

AUG 9 2001

STATE OF ARIZONA
DEPARTMENT OF INSURANCEDEPT. OF INSURANCE
BY [Signature]

In the Matter of:

NATHAN SCOTT DOWELL

Respondent.

No. 01A-195 - INS

CONSENT ORDER

The State of Arizona Department of Insurance ("Department"), has received evidence that Nathan Scott Dowell ("Respondent") violated provisions of Title 20, Arizona Revised Statutes. Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits the following Findings of Fact are true and consents to entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Nathan Scott Dowell ("Respondent") is, and was at all material times licensed to transact life and disability insurance as an agent, Arizona license number 93238, which license expires May 31, 2002.

2. On or about October 25, 1999, Respondent entered into an "Independent Agent Commission-Only Contract" to become an authorized agent for MEGA Life & Health Insurance Company (MEGA). Under the terms of the contract, Respondent was required to maintain contracts with associations who provided health insurance benefits to their members and to solicit applications for health insurance, collect premiums and submit completed applications.

3. On or about October 28, 1999, Respondent received a complimentary Access Level membership in the National Association of the Self-Employed (NASE) which allowed him to solicit membership and health insurance applications from self-employed individuals. The health insurance was to be underwritten by MEGA.

4. On or about January 12, 2001, Respondent met with a prospective applicant, Brent Slade (Slade). Respondent completed an application for membership in NASE and an application for health insurance for Slade and his dependents to be underwritten by MEGA. Slade gave Respondent a personal check in the amount of \$482 in payment of the NASE association fee and the initial health insurance premium. Slade made the check payable to NASE.

5. On or about January 22, 2001, Respondent altered Slade's premium check to make the check payable to himself by changing the Pay to the Order of "NASE" to Pay to the Order of "NATHAN Dowell." Respondent's mother cashed Slade's premium check and provided the funds to Respondent for his own personal use.

6. Respondent never submitted Slade's application for health insurance to NASE or to MEGA.

7. In or around April 2001, Slade's bank obtained a refund of \$482 from Respondent's mother's account and credited the refund to Slade's checking account.

8. Respondent represented to the Department that when he returned to the NASE Office to turn in Slade's application and premium payment he was informed that he had been terminated due to previous customer complaints. Respondent represented that, upon learning of his termination, he left the office with Slade's application and check and decided to alter Slade's premium check and cash it for his personal use.

CONCLUSIONS OF LAW

1. The Director has jurisdiction over this matter.

2. Respondent's conduct constitutes the wilful violation of, or wilful noncompliance with, any provision of this title, or any lawful rule or order of the director, within the meaning of A.R.S. §20-316(A)(2).

3. Respondent's conduct constitutes misappropriation or conversion or illegal withholding of monies belonging to policyholders, insurers, beneficiaries or others received in or during the conduct of business under the license or through its use, within the meaning of A.R.S. §20-316(A)(4).

4. Respondent's conduct constitutes a conduct of affairs under the license showing the licensee to be incompetent or a source of injury and loss to, or repeated complaint, by the public, or any insurer, within the meaning of A.R.S. §20-316(A)(7).

5. Respondent's conduct constitutes the diversion of the monies of an insurer or other person, within the meaning of A.R.S. §20-463(A)(4)(a).

6. Grounds exist for the Director to suspend, revoke, or refuse to renew Respondent's insurance licenses, impose a civil penalty, and order restitution pursuant to A.R.S. §§20-316(A) and 20-316(C).

ORDER

IT IS HEREBY ORDERED THAT Respondent's license is revoked immediately upon entry of
this Order.

DATED AND EFFECTIVE this 8 day of August, 2001.

CHARLES R. COHEN
Director of Insurance

CONSENT TO ORDER

1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law and Order.

2. Respondent admits the jurisdiction of the Director of Insurance, State of Arizona, and admits the foregoing Findings of Fact and consents to the entry of the foregoing Conclusions of Law and Order.

3. Respondent is aware of his right to notice and a hearing at which he may be represented by counsel, present evidence and examine witnesses. Respondent irrevocably waives his right to such notice and hearing and to any court appeals relating to this Consent Order.

4. Respondent states that no promise of any kind or nature whatsoever, except as expressly contained in this Consent Order, was made to him to induce him to enter into this Consent Order and that he has entered into this Consent Order voluntarily.

5. Respondent acknowledges that the acceptance of this Consent Order by the Director is solely to settle this matter against him and does not preclude any other agency, officer, or subdivision of this state from instituting civil or criminal proceedings as may be appropriate now or in the future.

7/30/01

Date



Nathan Scott Dowell,
License Number 93238

COPIES of the foregoing mailed/delivered
this 9th day of August, 2001, to:

Nathan Scott Dowell
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Apache Junction, AZ 85219

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